DEV

(1948) Department.

Ms SERIES.

G.O. NO. 3819

1439-41 G

Dated 19-7-48

3819

19-7-48

[Despatch Abstract.]

Industries — Sericulture — G.F. Kollegal
Installation of a Silk Twisting Plant
Proposal re Cess of 1% — Approved

Memo. No. 6878 DP/68. 2/10/1/68

Subject:- Industries - Sericulture -
Silk Twisting Machine - Despatch
of blue print to Coimbatore
for manufacture

The Director of Industries &
Commerce is requested to state whether,
~~requested by the Joint Secretary to~~
~~the Govt. Development Department~~ blue
print of a silk twisting machine
have been sent to Coimbatore

~~Remarks~~ time of the ~~meeting~~

Dy. No. 19.1.48

CPS 19.1.48

To the DPC

R 10-2-48

20.1.48

DEPARTMENT OF INDUSTRIES AND COMMERCE
Letter No.334.D/48

From: T.M.S. Mani Esquire, O.B.E., I.C.S.,
Director of Industries & Commerce.

To

The Joint Secretary to Government,
Development Department, Madras.

Dated Chetpet, Madras, 29th January, 1948

Sir,

Subject: Industries - Sericulture - Silk-twisting Machinery - Despatch of blue prints to Coimbatore

Ref: Government Memorandum No.6828. Development DI/48-1 dated 6th January, 1948.

:::::::

I regret, it has not been possible to send blue prints of Silk-twisting plant to Messrs P.S.G. & Sons and Messrs Argus Engineering Co., Coimbatore. The Deputy Director of Industries and Commerce (Marketing) went to Bangalore recently to obtain the blue prints required from two firms there, who are manufacturing such machinery but the firms are not agreeable to furnish detailed dimensioned drawings that are required for the manufacture of the various parts.

The matter has however been discussed with the representative of Messrs P.S.G. & Sons and they have been requested to examine the plant that is working at present in Sundaraj Textiles, Kalapatti which is about 6 miles from Coimbatore and arrange to make a similar one. He has promised to see whether this is possible. He, however has expressed diffidence in the manufacture of spindles which require very high skill in production.

In this connection, I would like to inform Government that there are firms in Bangalore who are manufacturing silk twisting plants. One of the firms, Messrs Orr and Co. is a long-established concern and they have supplied a number of machines to various twisting factories in Bangalore and elsewhere. This firm and other firms in the line have been asked to send quotations for supply of twisting plant required to deal with 100 lbs. of silk per

day of eight hours' work. Quotations from foreign firms are also being obtained. Final proposals ~~from~~ for establishing a Silk-twisting plant in Kollegal will be submitted to Government very early; but in the meantime -- Government may see the enclosed booklet of Messrs Orr Ewing and return it to me after perusal.

for DIRECTOR OF INDUSTRIES AND COMMERCE

'M.G.' 29.

To. AS

Letter from Secy to Govt at pp 3-4 (5-6) above is submitted for perusal with reference to the Secretariat Orders at A' on p.1 above ref.

Final proposals promised by Secy to Govt at A' above may be awaited till 5-3 last

Development Department

Memorandum No.6878 DI/48 - 2 Dated 23/2/1948.

Sub: Industries - Sericulture - Silk Twisting machine - Despa~~ch~~ of blue prints to Coimbatore for manufacture.

Ref: From the D.I.&.C. Letter No.334 D/48 dated 29-1-48.

~~The D.I.&.C. is informed that the Hon'ble Minister for Industries desires the Silk Twisting Machine to be purchased early and that~~ The Govt desire that the necessary machinery be purchased early. The Bangalore machine seems ~~to him~~ to be good.

2. The booklet of Messrs.ORR & EMM sent with the letter cited above is herewith returned to D.I.&.C.

CPP

20-2-48

INDUSTRIES & COMMERCE DEPARTMENT.

No. 334 D/48 dated 17th Feb 1948.

20278 D4/48
18-2-48.

From

T.M.S. Mani Esq., O.B.E., I.C.S.,
Director of Industries and Commerce,
MADRAS.

To

The Secretary to Government,
Development Department,
MADRAS.

Sir,

Sub: Industries---Sericulture--Government Silk Filature, Kollegal--Installation of silk twisting plant--Estimates submitted for sanction--

Ref: My letter No. 334 D/48 dated 29-1-1948.

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The possibility of getting the twisting plant manufactu: by Messrs. P.S.G. & Sons Charity Industrial Institute, Coimbatore or by Messrs. Argus Engineering Co., Ltd., Coimbatore has been further investigated. The former expressed their unwillingness to take up any new lines of manufacture as they are full up with pending orders for various articles which they normally produce, unless Government are quite unable to get the plant made elsewhere. Messrs. Argus Engineering Co., on the other hand, expressed their eagerness to be of assistance to us but required detailed drawings to take up the work. As indicated by me in my previous report, no manufacturer will be prepared to hand over his detailed drawings. On the whole, I feel that we cannot depend on these persons for the manufacture of the plant required by us. The Deputy Director (Marketting) who visited Coimbatore in this connection, however, reports that there is every possibility of Messrs. Ramakrishna Industrials Ltd., Coimbatore being able to do the work and that Mr. Ramakrishna, the Managing Director of the firm with whom he had taken up the question some months back at the instance of my predecessor in office, has made considerable progress in the manufacture of one twisting plant which has been promised to be given for trial by the beginning of next month.

Meanwhile, quotations for the supply of the plant required have been received from three firms in Bangalore and based on these, an estimate for the expenditure involved for the addition of the twisting plant at the Government Silk Filature, Kollegal

has been prepared and is submitted herewith. The estimate provides for a plant capable of dealing with 100 lbs. of silk per day of 8 hour work. This is about 50% of the present output of the Government Silk Filature, Kollegal and I consider that this will be adequate for the time being. The additional twisting plant required to deal with the balance of output as also an economical unit of a silk weaving factory may be installed later.

Details of the scheme are given in the report accompanying the estimate. A very conservative figure of Rs.6/- per lb. towards the twisting charges recoverable by the sale of twisted silk are assumed and the percentage return on this basis works out to over 19%. The installation of the twisting plant will go a long way, as explained in the report, to improve the financial position of the filature which is far from satisfactory at present and hence the scheme is very urgent. I request that Government may be pleased to accord immediate sanction to the estimate so as to enable me to take further action in the matter.

The expenditure is chargeable to 85 A. Capital outlay on provincial schemes of State Trading--C. Other Misc. Schemes-J. Government Silk Filature, Kollegal.

Simultaneously with the submission of the scheme to Government, I am advertising in some of the important dailies calling for tenders for the supply of the necessary plant so that quotations will be at hand by the time Government sanction is accorded to the scheme. If prices are favourable and the trial plant to be supplied by Messrs. Ramakrishna ~~Industrials~~ Industrials proves satisfactory in actual service, we may get the plant manufactured by this firm itself.

for DIRECTOR OF INDUSTRIES AND COMMERCE.

REPORT ACCOMPANYING THE ESTIMATE FOR THE ADDITION OF TWISTING PLANT AT THE GOVERNMENT SILK FILATURE, KOLLEGAL CAPACITY 100 LBS. OF TWISTED SILK PER DAY OF 8 HOUR WORK.

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As a result of the state-stimulated efforts to increase silk production in India for war purposes during the recent world war, the silk industry in India expanded to nearly three times its pre-war size and Madras had its full share in the increase of acreage under mulberry cultivation and in the establishment of silk Filatures at Kollegal. The Madras Government with their established object of stabilising the silk industry, which is an asset in times of war as in peace, have been running the filatures, under state management and though they made considerable profits in the working of the Filatures upto the end of 46-47, they may not do so hereafter. A slump has set in in the silk market caused by the imports of large quantities of foreign silk which sell at prices considerably below the cost of production of our silk. While the Government of India, have been moved for the immediate grant of protection to the Industry, which stands on the verge of ruin by way of regulating imports and enhancing the tariff duties on imported silk, it is necessary that we take further action in the matter of consolidating the industry by the establishment of twisting and weaving factories for the production of twisted yarn for ready consumption by weavers and high grade fabrics required by the public. It is generally accepted that there is a greater margin of profit in the twisting and weaving operations than in the production of raw silk. Also though we are at the mercy of operators of twisting and throwing plants in Bangalore and the cost of transport of the raw silk to Bangalore, the cost of twisting and the cost of transport of the yarn back to this province all tend to contribute to make the price of the Kollegal yarn uneconomic. If therefore, a twisting plant and a weaving factory could be established as an adjunct to the silk filature at Kollegal, the greater margin of profit obtained in the former would go a long way in improving the financial stability of the whole undertaking. Taking an All India view also, there is great need for the establishment of twisting and weaving factories as India is not self-sufficient in the matter of her requirements of silk and she imports large quantities from outside.

P.T.O.

Proposals for the establishment of silk twisting and weaving factory capable of producing 200 lbs. of thrown silk and 600 yds. of fabrics as an adjunct to the filatures were submitted to Governmen in this office letter No.3401 D3/45 dated 12-2-1946 but Government in their Memo No.13347 D/46-2 dated 27-4-46 deferred the proposals till a complete plant by way of separations is secured from Japan. Conditions of the silk industry, as stated earlier, have changed considerably for the worse and it has become very imperative and urgent to take action in this respect without any further delay. It is therefore now proposed to instal at least a twisting plant capable of dealing with part of the silk produced at the filature, leaving the addition of the balance twisting plant and the weaving factory to a later date.

The estimates attached provide for the addition of a twisting plant capable of producing 100 lbs. of twisted silk per day of 8 hour work as against the present output of the Government Silk Filature, Kollegal of about 200 lbs. per day under the revised programme of working about 200 to 250 basins. The weavers who purchase the raw silk from our filature as indicated above, are at preser obliged to take it to the twisting establishments at Bangalore who charge enormously for converting the silk into twisted silk. If therefore, we instal a twisting plant of our own at Kollegal, we will be doing a great service to the weaving community as they can purchase ready made twisted silk for weaving purposes. Incidentally we will be able to sell more of our silk also without the difficulty that we are experiencing at present.

The capital expenditure for the plant based on quotations received from some of firms at Bangalore works out to Rs.3.75 lakhs. The extra receipt by the sale of twisted silk has been taken at Rs.6/- per lb. against Rs. 8/. to Rs.10/- charged by the twisting factories at Bangalore and even with this, the net profit after allowing for all working expenses, depreciation and interest charges, etc., work out to Rs.35,000/- yielding a percentage return of over 9%. Even if our calculations prove to be over optimistic, the return is definitely not likely to fall below Government's borrowing rate.

It may be noted that an amount of about Rs. 20,000/- has also been provided for Agency admission etc., If a higher twisting charges is assumed, the percentage return will naturally be much more. Again, in case the plant is worked for 16 hours. a day ie., for two shifts, the production of twisted silk can be doubled without any increase in capital outlay and hence the percentage return will also be doubled. It may therefore be seen that the addition of twisting plant will improve the financial stability of the Government Silk Filature, Kollegal considerably.

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ABSTRACT OF ESTIMATE FOR THE ADDITION OF TWISTING PLANT AT THE GOVERNMENT SILK FILATURE, KOLLEGAL CAPACITY 100 LBS. OF SILK PER DAY OF 8 HOUR WORK.

Capital Expenditure:

1. Building, plant, Machinery and other equipments.		Rs. 3,75,000--0--0

Recurring charges:

2. Pay officers.		nil.
3. Pay of establishment		5,400--0--0
4. Travelling alloance and Dearness Allowance.		
1) Travelling Allowance.	Rs.600-Ø-0	
2) Dearness Allowance	3000-0-0	
	---	3,600--0--
5. Cost of Raw Materials.		nil.
6. Wages including Dearness Allowance		30,000--0--0
7. Motive Power		6,000--0--0
8. Other charges.		30,000--0--0
Total recurring charges	Rs.	75,000--0--0
9. Deduct Receipts and Recoveries on capital account.	Rs.	1,80,000--0--0
Gross profit. 1,80,000 -- 75,000	Rs.	1,05,000--0--0

Deduct.

1. Depreciation at 7½ average on capital assets of 3.75 lakhs.	Rs.	28,125--0--0
2. Interest on capital outlay at 4%	Rs.	15,000--0--0
3. -do- on working capital of Rs.75000/- at 4 %		3,000--0--0
4. Audit fees. L.S.		1,000--0--0
5. Direction charges. L.S		3,000--0--0
6. Agency commission. L.S.		19,875--0--0
		70,000
Net profit. Rs. 1,05,000 - 70,000	Rs.	35,000--0--0

Percentage return on capital outlay 9.3

Raman/17-2.

3. Pay of Establishment.

Name of the Post.	No. of post.	Grade.	Pay per month.	D.A. per month.
Filature Assistant cum Throwing Master	1	Rs. 90--5-130	90--0--0	24--0--0
Foreman	2	Rs. 45--3--75	90--0--0	44--0--0
Asst. Foremen	8	Rs. 24--1--32 1/2A--35	192--0--0	152--0--0
Mechanic II grade.	1	Rs. 55--3--85	55--0--0	22--0--0
			427--0--0	242--0--0
			say Rs.450--0--0	250--0--0
		Per Annum.	Rs.5400--0--0	3000--0--0

5. Cost of Raw Materials.

Note:- The raw silk produced at the filarure will be the raw material and as the twisting plant is treated as an adjunct to the filature, the value of Raw silk is not taken into account.

6. Wages including Dearness Allowance.

	No.	Wages including D.A.	Amount per day
Winding section.	8	1--4--0	
Twisting section	60	"	
Reeling and warping section	8	"	
Miscellaneous labourers	4	"	100--0--0
Amount per annum of 300 working days			30,000--0--0

7. Motive Power.

Motors installed:-		H.P. of each motor.	Total H.P
Twisting machines	30 nos.	3 H.P.	90
Winding	4	1 H.P.	4
Doubling	2	1 H.P.	2
Reeling	4	1 H.P.	4
Warping and Beaming machine	1	2 H.P.	2
			102

102 H.P. = 76.5 k.w.

Allowing for load factor, probable load = 40 k.w.

Consumption per day 40 x 8 = 320 units.

Charges @ 1 per unit per annum $\frac{320 \times 300}{16}$ Rs. 6,000--0--0

Continued.....

D E T A I L E D E S T I M A T E

Building, Plant, Machinary and other machinery.

R

i. Site. nil.

ii. Buildings.. nil.

Note:-- The silk waste godown under construction now is proposed to be utilised to house the plant.

Water supply and electrical installations:--

a) Water supply extensions. Rs. 2500-0-0

b) Electrical Instllations. 2,2500-0-0 ---------- Rs. 25,000/-

Machinery:--

a) Twisting plant etc.,-

20 Nos. of twisting machines of 120 spindles each for first twist @ Rs. 7,750/- each		1,55,000
10 Nos. twisting machinery of 120 spindles each for second twist at Rs. 7750/- each		77,500
4 Nos. Winding machines of 60 spindles each at Rs. 5350/. each		21,400
2 Nos. Doubling machines of 60 spindles each at Rs. 6250/-		12,500
4 Nos. Reeling machines of 4 reels each at Rs. 2450/-		9,800
6 Nos. warping machine at Rs. 500/.		3,000
1 No. warping and beaming machine at Rs. 2000/-		2,000
Erection charges etc.,	L.S.	8,800

b) Other equipment:--

Aluminium tubes and bobins and other articles	L.S.	25,000
Belting and other requirements	L.S.	10,000
Humidifier	L.S.	25,000
		3,50,000/-
Total		3,75,000/-

8. Other charges.

i) Staionery, advertisement etc.,		Rs. 10,000--0--0
ii) Wastage of raw silk in twisting and doubling operation etc.,--		
quantity of twisted silk @ 100 lbs. a day per annum of 300 working days	= 30,000lbs.	
Wastage of silk @ 1½%	450lbs.	
Value of 450 lbs. @ Rs. 30/- a lb.		Rs. 13,500--0--0
iii) Miscellaneous stores etc., L.S.		6,500--0..0
		30,000--0--0

9. Deduct receipts and Recoveries on capital Account.

Quantity of twisted silk produced - 30,000 lbs.

Extra income by way of Twisting charges realised by sale of 30,000 lbs of silk at Rs. 6/- per lbs. Rs. 1,80,000/-

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Raman/17-2.

DEPARTMENT OF INDUSTRIES AND COMMERCE 3917/3 DI/48

From

T.M.S. Mani, Esquire, O.B.E., I.C.S.,
Director of Industries and Commerce,
Chepauk, Triplicane P.O., Madras.

To

The Secretary to Government,
Development Department,
Fort St. George, Madras.

Dated Chepauk, Madras, 2nd April, 1948

Sir,

Subject: Industries - Sericulture - Government Silk Filatures, Kollegal - Addition of Silk Twisting Plant.

Reference: My letter No.334-D/48 dated 17th February, 1948.
Government Memorandum No.6878-DI/48 dated 23-2-48.

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In response to the advertisement calling for tenders for the supply of Silk Twisting Plant required to produce 100 pounds of twisted silk per day, nine tenders were received. As it was found that there was considerable variation in the number of spindles offered by different tenderers for twisting the above quantity of silk, the tenders have all been reduced for purposes of comparison to a common basis - viz., 5,600 spindles for twisting, 500 spindles for doubling and 600 for winding etc. A statement giving details of the tenders received together with the prices on a comparative basis is attached.

Based on the above comparative statement, the tenders may be arranged in the following order of prices.

	F.O.R. Maddur
1. Messrs Balan & Bros., Madras	Rs: 3,36,080
2. Messrs Sitaramiah & Sons, Bangalore	3,70,060
3. Messrs Bangalore Textile Engineering Works, Bangalore	3,78,650
4. Messrs Ganesha Engineering Works, Bangalore	4,22,687
5. Messrs National Textile Engineering Works, Bangalore	4,65,377
6. Messrs Raghava Metal Works, Bangalore	4,66,475
7. Messrs Brady & Co., Madras	4,86,470
8. Messrs Orr and Emm, Bangalore	5,43,020
9. Messrs Koday Engineering Industrial and Chemical Works, Bangalore	5,77,460

2. Judging from the point of view of efficiency in performance and durability etc., the best machinery is obviously that offered by Messrs Brady and Co., Madras, for Atwood's machines, which are recognised as standard throughout the world. Atwood's machines are backed up by nearly a century of experience in building the machinery that has thrown the bulk of world's silk. Our country is in the initial stages of Industrialisation and it would be wiser and

better to get standard machinery so that it could serve as our guide for future factories. Messrs Brady's offer is, however, the seventh in the order of prices and is about 1½ lakhs costlier than that of the lowest offer - i.e., of Messrs Balan and Brothers, Madras. In respect of the six offers which are lower than that of Messrs Brady's, (the offer of Messrs Orr and Emm, Bangalore, whose catalogue was sent to Government, and on which Government remarked that the machinery appears to be good is higher than that of Brady's) I would offer the following comments:-

Messrs Balan and Brothers' offer, though lowest, is to be looked at with a certain amount of suspicion. The company offers ready delivery of some machines and the rest for supply within three months. It seems rather doubtful how the firm could have ready machines in stock at a time when there is so much of demand for twisting machineries. The reason is probably due to the fact that the machines may not be good, owing to its flimsy construction and use of cheap spindles; or there may be even be reconditioned machines.

The offers of Messrs Sitaramiah and Sons., Messrs Ganesh Engineering Works and Messrs Raghava Metal Works, Bangalore, do not deserve consideration as they do not have any experienced in this line of manufacture and appear to be new firms. The offer of Messrs Bangalore Textile Engineering Works and Messrs National Textile and Engineering Works, Bangalore are better and would have merited consideration, but for the fact that their machines cannot stand comparison with those of Atwood's for efficiency in performance. The difference in price between the offers of Bangalore Textile Engineering works and Messrs Brady and Company is about one lakh of rupees, but the machinery of the latter firm is, in my opinion, will worth the extra price. The Principal of the Government Textile Institute, who has been consulted also agrees that we cannot do better than go in for Atwood's machines.

3. Messrs Orr and Emm promise to commence delivery by August, 1948, but it is evident that the machinery will be supplied complete only in a year's time and that too, only if we make all arrangements for iron and steel. Messrs Brady and Company however have undertaken to supply the complete equipment in 12 months and this will not involve any trouble for the Government in obtaining raw materials etc. - a difficult job these days.

4. I have decided to accept the offer of Messrs Brady and Company, but would like to restrict the order to only 50 per cent of the offer, which would be sufficient to produce 50 pounds of twisted silk in 8 hours. The idea is that we may work the plant for two shifts in a day and still get 100 pounds production. The amount of the order on the above basis will be about Rs.2½ lakhs which is well within the estimate submitted to Government for sanction.

5. I request urgent orders of Government sanctioning the scheme submitted with my letter No.334-D/48 dated 17-2-48 so as to enable me to place orders for the machinery required with Messrs Brady and Company, Madras for Atwood's Machines without any delay.

4. 1 Sketch (4 sheets)

for DIRECTOR OF INDUSTRIES AND COMMERCE

Statement showing details of lenc

Description of the Tender.	Value.
18 'Paragon' Twisting machines 200 spindles at Rs 6250/- each.	Rs. 1, 12, 500 - 0 - 0
10 'Paragon' deck winding machines 60 Spindles each at Rs 1800/- each	Rs 18,000 - 0 - 0
5 'Paragon' Doubling Machines at Rs 2200/- each	Rs 11 000 - 0 - 0
Accessories	Rs 41 575 - 0 - 0
Packing freight etc	Rs 12 810 - 0 - 0
Total	1, 95, 885 - 0 - 0

For Maddur. R.S.

Co. 10. Twisting Machines of 240 spindles each at Rs 10,000/- each. Rs 1,00,000.

4 Twisting Machines of 240 spindles each at Rs 10000/- each Rs 40 000

6 Winding Machines 60 Spindles each at Rs 2750. each. Rs 16 500

5 doubling Machines 60 Spindles each at Rs 3750/- each Rs 18 750

10 Reeling Machines at Rs 300/- each. Rs 3000

Accessories Rs 25000

Total. 2,03,250.

Erected at Kollegal

ers for Twisting Plant.

Comparing on the basis of 5600 spindles for twisting 500 spindles for winding and 600 Spindles for doubling and Providing for items not included in tenders.

1.	Twisting machines.	Rs. 1, 75, 000.
2.	Winding machines	Rs. 18 000.
3.	Doubling machines	Rs 22 000.
4.	Add. for Reeling machines	Rs 5 400.
5.	Accessories	Rs 64, 450.
6	F O R Madras.	Rs 19 930.
7	Add for Ele. Motors & Belting etc.	Rs 31, 300
	Total.	Rs 3, 36, 080.

Liberty Period. Other conditions specified in Tender

hines left out one year guarantee of satisfactory the time of working. ~~machinery~~ The tender ining Confirmation does not include the Cost of shall be supplied Motors. 1/3 value of order rted and the L as advance. The plant is to be maining rate shall supplied by M/s Coleman & Co. supplied within Bombay and manufactured by e months from M/s Paragon Engineering Co. Bombay. date of Confirmation. A Tech. officer from Bombay will assist the erection, free of Cost.

1.	Twisting machines.	Rs. 2, 33, 300-0.
2.	Winding machines	Rs 22, 900-0-
3.	Doubling machines	Rs 37, 500-0-
4.	Add for Reeling Machine.	Rs. 5400-0-
5.	Accessories	Rs 41 660 -0-0
6.	Add for Motor & Belting etc	Rs 31 300 -0-0
7.	Allowance for erection Charges.	Rs(-)2000-0-0.
	Total	Rs. 3, 70, 060-0-0

Spindles and Guarantee one years from the er allied Machinery date of delivery - Spindles month. Delivery two years. An initial advance e first Consignment of Rs 30,000/- to be adjusted Commence after later in the final instalment. on the from the They further require an advance te of receipt of of Rs 5000/- to execute a trial materials indented order. They agree to deliver them. The engin and erect the machinery at n will be com- the A.S.F - Patrol Compens ted within 6 to 8 for the lorry to be arranged by ths from the the Dept. They further assure of receipt of that they can use foreign Spindles materials indented if their indent is received in time

	Description of the tender.	Value	Da
	+25 Twisting machines of 120 Spindles at Rs 6500/- each	Rs 1, 62, 500.	D ou th
	8 Winding Machines of 60 Spindles each at Rs 3500/- each.	Rs 30 400.	of
	4 Doubling machines of 60 Spindles each at Rs 3900/- each.	Rs 15600.	
	18 Multiple Reeling machines at Rs 300/- each.	Rs 5400	
	Accessories	Rs 17500.	
	Total	2, 31, 400.	
		delivered at Kollegal	
IV Sri. Ramesha Engineering Work Bangalore city.	20. Silk Twisting machines of 120 Spindles each at Rs 6500/- each.	Rs 1, 30, 000.	1 C
	20. Winding machines 60 Spindles each at Rs 2750/- each.	Rs 55 000.	
	20 Doubling machines 60 Spindles each at Rs 3000/- each.	Rs 60 000.	
	10. Reeling machines a Rs 500/- each.	Rs 5000.	
	Total	2, 53 000.	
		FOR Maddur.	
V M/S National Textile Engineering Works Bangalore city	25. Twisting machines of 120 Spindles each at Rs 6800/- each.	Rs 1, 70 000.	
	7 Winding Machines of 60 Spindles each at Rs. 3800/- each	Rs 26, 600.	
	5 Doubling Machines 60 Spindles each at Rs 4800/- each.	Rs 24 000	
	14 Reeling Machines 10 hanks at Rs 425/- each	Rs 5950.	
	Total	2, 26, 550.	
		FOR Kollegal	

Delivery Period.	Other Conditions Specified in tender.	Quoting on the basis of 5000 spindles for 500 Spindles for winding and 600 Spindles for doubling and Reeling for items not mentioned in the tender.
Delivery within 1 year from date of receipt raw materials	Require no advance if the raw materials required are supplied by the Deptt. Payment to be made as and when delivery of Machines is Completed	1. Twisting Machines 2,52,800 2. Winding machines. 30,400. 3. Doubling machines. 36,000. 4. Reeling machine 5400. 5 Accessories. 32,700. 6. Ele. Motors Belting etc. 21,300. Total. 3,78,650.
Months to complete all the machines	Quotations stands good to the end of this month. One years guarantee if handled properly.	1. Twisting machines Rs 3,03330- 2. Winding machines Rs. 22920- 3. Doubling machines Rs. 30000- 4. Reeling machines. Rs. 5000- 5. Accessories. Rs 41,137- 6. Add for elec. Motors Belting etc. Rs 21,300- Total. Rs. 4,22,687-
six to eight weeks from the receipt of the orders	Payment as and when delivery of unit is made. Procurement of raw materials to be arranged by Deptt. by issuing permits.	1. Twisting machines Rs 3,17,330 2. Winding machines Rs 31660. 3. Doubling machines Rs 48000. 4. Reeling machines Rs 5950. as quoted. 5. Accessories. Rs 41137. Add for Ele. Motors belting etc. Rs 21300. Total. Rs 4.65,377

S.No.	Name of the Tenderer	Description of Tenders	Value
VI	Sree Raghava Metal Works Bangalore c/f.	15. Twisting Machines of 240 Spindles Complete with bobbins Aluminium Tubes Motor at Rs 16250/- each	Rs 2,43,750.
		16 Winding machines of 60 Spindles each with 1/2 H.P Motor etc. at Rs 3500/- each.	Rs 56000.
		8 doubling machines of 60 spindles each with 1/2 H.P Motor at Rs 3800/- each.	Rs 30400.
		16 Reeling machines of double Dhoti type with 1/4 H.P Motor.	Rs 5400.
		Accessories for one years Consumption	Rs 8200-8-
		Total.	Rs 3,43,750.-8-
		Ex factory Bangalore.	
		21 Utility Double Deck uptwisters of 200 spindles each for single end twisting.	Rs 2,39,400.
		6. Ring doubler twisters for double end first twist of 100 spindles each	Rs 80,400
		7. Utility Double Deck up-twisters for double ~~twist~~ second end twist of 200 spindles	Rs 79,800.
		5. Stenington skein to Bobbin winding machines 100 Spindles each	Rs 26200.
		Total.	Rs 4,25,800.
			F.O.R Indian Port.

elivery Period.	Other Conditions specified in the Tender.	Converting on the basis of 5600 Spindles for twisting, 500 Spindles for winding and 600 Spindles for doubling and Reeling for items not included in the tender.
---	Requires advance of 10% and	1. Twisting machines Rs 3,79,170
e entire supply	Complete settlement within	2. Winding machines Rs 29,170
ll be Completed	one week of delivery. —	3. Doubling " Rs 38,000
within eight months	Help to procure iron & Steel	4. Reeling machines. Rs 5400
	required.	5. Accessories. Rs 12755.
		6. Add for delivery F.O.R Madras Rs 2000
		Total. Rs 4,66,475

elivery in about	The prices are current and	(1-3) Twisting, winding
months time.	subject to variation at the	& Doubling machines. Rs 4,25,800.
om the date of	time of Shipment. ~~Freight,~~	Add for reeling
ty of the orders.	~~Insurance, exchange, Bank~~	machines — Rs 5400.
	~~charges, duty, etc. to be~~	Add for bobbins. — Rs 35340
	~~to Debit Account.~~	Add for Rly. freight
		etc. to Madras — Rs 19930.
		Total. Rs 4,86,470.

Name of the tenderer	Description of the tender	Value
M/S. ~~Gra-Sons~~ Engg. Bangalore c/f	20 Twisting machines of 120 spindles each at Rs 7750/- each.	Rs 1,55,000.
	10 Twisting Machines of 120 Spindles each at Rs 7750/- each	Rs 77,500.
	4. Winding Machines of 60 Spindles at Rs 5350/- each	Rs 21,400.
	2 Doubling machines of 60 Spindles at Rs 6250/- each	Rs 12500
	4. Reeling Machines. 4 reels each at Rs 2450/- each.	Rs. 9800.
	Accessories required for one year as per details furnished in the tender	Rs. 41137.
	Erection	5000.
	Total.	Rs 3,17,337.

~~Engineers Bangalore~~
Erected at Bangalore

M/S. Khoday Engineering Industrial and chemical & Works, Bangalore c/f.	40 Twisting Machines of 120 Spindles each at Rs 9750/- each.	Rs 3,90,000.
	9. Winding Machines of 60 Spindles each at Rs 5616/- each	Rs 50535.
	8. Rewinding Machines or cleaning machines of 60 Spindles each at Rs 5400/-	Rs 43200.
	5. Doubling Machines of 60 Spindles each at Rs 6400/- each	Rs 32000.
	Reeling Machine 10 reels at Rs 7925/-	Rs. 7925.
	Total.	Rs 5,23,660.

Fo. A. Madras.

+ Covering on the basis of 5600 spindles for twisting 500 spindles for winding and 600 spindles for doubling and Reeling for items not included in the tender.

ery Period.	Other Conditions specified in tender.	
ery Commences Aug 48.	They agree to deliver and erect the plant at the C.S.F for a sum of Rs 5000/- Guarantee for one years.	1. Twisting Machines. Rs. 3,61,700. 2. Winding Machines. Rs. 44,583. 3. Doubling " Rs 62,500. 4. Reeling " Rs 9800 5. Accessories. — Rs. 41137. 6. Add for FOR Madras. Rs 2000. 7. Add for Motor Belting etc Rs. 21300 Total. 5,43,020.

ton the from date of Confir- der for e plant	Guarantee of one year from the date of Completion of erection. Advance of 25% of the value of the order required. Payment as and when machines are delivered reserving a small % age. If split up, 10% extra on the cost of each machine quoted. Spindles manufactured in India will be supplied.	1. Twisting Machines. Rs. 4,55,000. 2. Winding Machines Rs 50,535. 3. Doubling " Rs 64000. 4. Reeling (as quoted) - 7925. Total. Rs 5,77,460.

P Line
@26·4

dc 29/4.

11

DY V DEPT 29

Memo No 6878 DI/48-4 d 26.4.48

Sub: Industries - Sericulture - Cooh Silk filatures, Kollegal - Installation of a silk reeling plant

Ref: From dc No 334 D/48 d 17-2-48 for placing the matter before the SFC. The dDoe is requested to furnish urgently a Summary of the cost involved on the proposal mentioned above in the following form

Major head Minor and Sub head of account	Ultimate cost		cost in the year of intro.	
	Recurring	Non-recurring	Recurring	Non-recurring

2. He is also requested to furnish a statement showing:-

(1) Budget position under the major head of account

(2) Estimate of extra expenditure on the proposal under consideration in the current year

(3) Savings in the Budget provision from other items included in major head

If any amount is entered against item (3) the reasons for the savings anticipated should be explained and it should be made clear whether the savings are of a recurring or non-recurring nature

Ca 21468 12/4/48

CAF 26.V.48

DEPARTMENT OF INDUSTRIES AND COMMERCE.

No. 334-D/48, dated 26th April 48.

From: The Director of Industries and Commerce, Madras.

To The Secretary to Government, Development Department.

48982

Sir,

Subject: Industries- Sericulture - Government Silk Filatures, Kollegal- Addition of silk Twisting plant.

Refce This office letter 3343-D/48 dated 2-4-48.

P.C 19-27 a/cs.

I invite reference to the letter cited and request urgent orders of Government in order to enable me to place orders with Messrs. Brady & Co., Madras for the plant required.

for Director of Industries & Commerce.

Js/26-4.

32. TOAS

DEVDEPT

No action seems possible on p 31 above. Pending the receipt of the DAE's reply to the memo noted at pp 29-30 above. The DAE's reply may be awaited till 15-5-48 as already noted 1/30 a hum.

→ 1.5.48
15.5.48

CAP
4.5.48

DEPARTMENT OF INDUSTRIES AND COMMERCE
Letter No.334-D1/48 dated 6th May, 48

From

Sri P. Govinda Menon, B.E.,
Joint Director of Industries & Commerce,
Chepauk, Triplcane, P.O., Madras.

To

The Secretary to Government,
Development Department,
Fort St. George, Madras.

Sir,

Subject: Industries -Sericulture - Government Silk filatures Kollegal - Installation of a silk twisting plant.

Reference: Development Memorandum No.6878.D1/48-4 dated 26-4-1948.

I furnish below a summary of the cost involved on the proposal for placing before the Standing Finance Committee

1. Major head of account: Demand XXXIX - Capital outlay on Provincial schemes of State Trading Schemes - 85. Capital outlay on Provincial schemes - C. Other Miscellaneous schemes.

2. Minor or sub-head of account: C.J. Government Silk Filatures Kollegal

3. Ultimate cost: Recurring Rs.76,200 / Non-recurring 3,75,000

4. Cost in the year of introduction: Recurring 75,000 / Non-recurring 3,75,000

A receipt of Rs.1,80,000 is expected per annum.

Note: Raw silk produced at the Filature will be the raw material and as the twisting plant is treated as an adjunct to the filature, the value of raw silk is not taken into account.

2. As it is not possible to obtain the required machinery during the current year, the information called for in para 2 of the memo is not furnished.

for JOINT DIRECTOR OF INDUSTRIES AND COMMERCE

Recd 7/6 40 copies of this note 91/5/6. 19/17/6.

Dev. Deptt.

NOTE FOR THE STANDING FINANCE COMMITTEE.

Sub: Industries - Sericulture - Government Silk Filatures, Kollegal - Installation of a Silk twisting plant.

Summary of cost.

Majore head of Account.	Minor head of Account.	Ultimate cost		Cost in the year of introduction.	
		Recurring.	Non-recurring.	Recurring.	Non-recurring.
"85 A Capital outlay on Provincial Schemes of State Trading C Other Miscellaneous Schemes."	"J.Govt. Silk filatures, Kollegal.".	76,300/-	3,75,000/-	74700 ~~25,000~~/-	3,75,000/

Receipts to the extent of Rs.1,80,000/- per annum are expected from sale of twisted silk.

N O T E.

During the recent world war, Silk Industry in India expanded to nearly three times its previous size and Madras had its full share in the increase of acreage under mulberry cultivation and in the establishment of silk filatures at Kollegal. Though considerable profit has been made in the working of the filatures hitherto, a slump has now set in in the silk market caused by the import of large quantities of foreign silk which sell at prices considerably below the cost of production of our silk. While the Govt have been moved for the immediate grant of protection by way of restriction in imports and enhancing tariff duties on imported silk it is necessary to take further action in the matter considering the local industry. With this end in view, the D.I. & C. has proposed the establishment of a Silk twisting plant as an adjunct to the G.S.F., Kollegal for the production of twisted yarn for ready consumption by weavers and for high grade fabrics required by the public. He considers it very remunerative and expects a net profit of almost Rs.34,000/- per annum. The scheme involves a recurring expenditure of Rs. 76,300/- per annum and a non-recurring expenditure of Rs.3,75,000/- as detailed in annexure II. The Government have decided that the proposal should be treated as urgent. The expenditure is therefore on a new service and hence the proposal has to be referred to the Standing Finance Committee and the orders of the Cabinet obtained. The minutes of H.M.(In which have been endorsed by H.M.(Fin.) are reproduced below:

" The machinery is urgently needed to make the factory pay its way."

The above note may be circulated to the Standing ~~Finance~~ Committee for orders whether the scheme for the establishment of a ~~Silk~~ Twisting Plant as an adjunct to the G.S.F. , Kollegal will be approved.

ANNEXURE. I

1. Budget Provision under the major head of account:

   "85 A. Capital outlay on Provincial Schemes of State Trading - C. Other Miscellaneous Schemes - V. Government Silk Filatures, Kollegal.,

   4,04,41,800
   Rs ~~42,45,600~~/-

2. Actual expenditure to the end of April under the major head of account.

   ~~Not possible to state as Monthly Statement for April not yet received from the A.G~~
   Nil

3. Estimate of extra expenditure on the scheme under consideration in the year 1948-49.

   ~~Too early to ascertain the figures.~~

4. Savings in the budget provision for other items included in the major head.

5. Total commitment in the year under the major head ~~and~~ account of new schemes (not provided for in the budget) sanctioned since the beginning of the financial year upto the end of the month of April.)

   ~~Too early to Recess~~
   Rs. 66,250
   ~~Clue of expenses~~
   Particulars of cost & sanctions yet awaited from depts.

6. Total commitment in the year under all major heads of account of new schemes (not provided for in the budget) sanctioned since the beginning of the financial year upto the end of the month of April 1948.

CAP
14.5.48

A N N E X U R E II.

Recurring.	Average. Rs.	D. A. Rs.	Total p.m. Rs.
One filature Assistant on Rs.90-5-130.	115.3	28	143.3
Two Foreman on Rs.45-3-70 (Average 61.7)	122.4	48	170.4
8 Asst. Foremen on Rs.24-1-32-½-A-36) (Average 30.6.)	244.8	152	396.8
One Mechanic II Grade on Rs.55-3-85.	73.3	24	97.3
cost per mensem.	555.8	252	807.8

Cost per annum. 807.8 x 12 = 9693.6 or Rs.9,694.

Cost of staff.	9,694. ✓
T. A.	600 ✓
Wages:- (~~Details on para 6 on p. 16 c.f.~~)	30,000 ✓
Motive Power:- (~~Details in para 7 on page 16 c.f.~~)	6,000 ✓
Other charges:- (details overleaf)	30,000 ✓
Total	76,294

or Rs 876300 roundly

p.t.o.

Stationery.	10,000
Wastage of raw silk in twisting and doubling operations.	13,500
Miscellaneous Stores etc.	6,500
	30,000

Non-recurring:-

1. Water supply extensions.	Rs. 2,500
2. Electrical Installations.	Rs. 22,500
3. Machinery.	Rs. 3,50,000
	Rs. 3,75,000

Dev. Deptt.

Industries - Sericulture - G.S.F., Kollegal - Installation of a Silk Twisting Plant - Proposal of the D.I.& C. - Approved.

From the D.I.& C.No.334-D/48 dated 29-1-48.
From the D.I.& C.No.334-D/48 dated 17-2-48.

...

ORDER NO.MS. 3819 DEV. DATED 19-7-48

H.E. the Governor of Madras approves the proposal of the D.I.& C. for the establishment of a Silk Twisting Plant, as an adjunct to the G.S.F. Kollegal for the production of twisted yarn. ~~for ready consumption by weavers and for high grade fabrics required by the public.~~

Sanction is accorded to the employment temporarily for a period of one year from the date of appointment of the staff mentioned in the annexure to this order.

3 Sanction is also accorded to a recurring expenditure of Rs.76,300/- (Rupees Seventy six thousand and three hundred only) per annum and a non-recurring expenditure of Rs.3,75,000/- (Rupees three ~~hundred~~ lakhs and seventy five thousand only) as per details in the annexure to this order.

4 The expenditure should be debited to '85 A. Capital Outlay on Provincial Schemes of State Trading - C. Other Miscellaneous Schemes - J. Govt. Silk Filatures, Kollegal".

5 The A.G. is requested to admit the expenditure in audit pending the provision of funds later.

CPG
16.7.48

ANNEXURE.

P. T. O.

A N N E X U R E.

Recurring.	Average pay. Rs.	D. A. Rs.	Total p.m. Rs.
ne Filature Assistant on Rs.90-5-130	115.3	28	143.3
wo Foremen on Rs.45-3-75 (~~Average 61.7~~) p.m each	122.4	48	170.4
Asst. Foremen on Rs.24-1-32-½-A-35. p.m each.	244.8	152	396.8
ne Meehanic II Grade on Rs.55-3-85.	73.3	24	97.3
Cost per mensem.	555.8	252	807.8

Cost per annum. 807.8 x 12 = 9693.6 or 9,694 Rs.

Cost of staff:-		9,694
.A.		600
ages:- (~~Details on para 6 on p.16 c.f.~~)		30,000
otive Power: (~~Details in para 7 on p.16 C.F.~~)		6,000
ther charges:-		*30,000
		Rs.76,294

or Rs 76 300 roundly

tationery	$10,000
astage of raw ilk in twis- ing and doub- ing operations	13,500
iscellaneous tores etc.	6,500
	30,000 *

Non recurring

i) Water supply and electrical installations:-- P15 cf

(a) Water supply extensions.	Rs.2500--0--0	
(b) Electrical Installations.	Rs.22,500--0--0	
		Rs.25,000/-

ii) Machinery:--

(a) Twisting plant etc.

20 Nos. of twisting machines of 120 spindles each for first twist @ Rs.7,750/- each.	Rs.1,55,000
10 Nos. twisting machinery of 120 spindles each for second twist at Rs.7,750/- each.	Rs. 77,500
4 Nos. Winding machines of 60 spindles each at Rs.5,350/- each.	Rs. 21.400

2 Nos. Doubling machines of 60 spindles each at Rs.6,250/-		Rs. 12,500/-
4 Nos. Reeling machines of 4 reels each at Rs.2,450/-		Rs. 9,800/-
6 Nos. warping machine at Rs.500/-		Rs. 3,000/-
1 No. warping and beaming machine at Rs.2,000/-		Rs. 2,000/-
Erection charges etc.	L.S.	Rs. 8,800/-
(b) Other equipment:--		
Allunimium tubes and bobins and other articles.	L.S.	Rs. 25,000/-
Belting and other requirements	L. S.	Rs. 10,000/-
Humidifier.	L. S.	Rs. 25,000/-
		Rs.3,50,000/-
Total.		Rs.3,75,000/-

CPG
16.7

6878DI/48.

Extract of Notes of J.S. from c.f. No. 596DI/48

I had asked the D.I.&.C. to send blue prints of a silk twisting machine to C.B.E. for manufacture. Ask him if this has been done.

K.G.M. 16-1-48

To DS

With reference to 'A' above a draft memo to the DI is submitted for approval

DS 19/1/48 19.1.48 CPG 19.1.48

[Issued as Memo no. 6878DI/48-1 d 20.1.48]
[From the D.I.&C. Lr. no. 334D/48 d 29-1-48]

Subject of note at p. 4 cf.

To A.S.

Letter from the D.I.&.C. at pp.3-4 (above) cf is submitted for per sal with reference to the J. Secretary's orders at 'A' on page 1 (nf) above

Final proposals promised by the D.I.&.C. at 'M
>n awaited till -5-3-48.

The booklet at (P) is submitted for perusal.

C.P.G. 6-2-48.
K.G.M.7-2.

H.M.(Ind) Minutes.

"I want that the necessary machinery be purchased early The Bangalore one seems to be good.

H.S.R.
10-2-

To A.S.

With reference to the minutes of H.M. (Ind) at above a draft memo to the D.I.&.C. is submitted below for approval.

From the D.I.&.C. No.334 D/48- dated 17-2-48.

Please see the minutes of H.M.(Ind) at 'M'. In continuation of his letter at pp 3-4 of the D.I.&.C. has submitted final proposals for establishment of a silk twisting plant in Kollegal. The D.I.&.C. has now reported that Messrs. P.S.G. Sons Charity Industrial Institute Coimbatore expressed their unwillingness to take up the manufacture of the plant and that Messrs. Argus Engineering Company Limited Coimbatore expressed their eagerness to give their assistance in the matter but required detailed drawings to take up the work. The D.I.&.C. has stated that no manufacturer will be prepared to handover his detailed drawings. The Dy.D.I.&.C.(Marketing) who visited Coimbatore in this connection, it is stated, has reported that Messrs. Ramakrishna Industrials Ltd. Coimbatore have made considerable progress in the manufacture of one twisting plant and have promised to give the plant for trial by the beginning of this month.

The D.I.&.C. has reported that quotations for the supply of the plant required have been received from three firms in Bangalore and based on these he has submitted an estimate for the expenditure involved for the addition of the twisting plant at the G.S.F. Kollegal.

The scheme involves a capital expenditure of Rs.3,75,000 and a recurring expenditure of Rs.75,000. The D.I.&.C. expects a net profit of Rs.35000 per annum which is 9.3% return on capital outlay. For the reasons stated by the D.I.&.C. in his report at pp. 9-10 of and in view of the minutes of H.M.(Ind) at 'M' page 4 of, the proposals may be accepted in this Department. One feature of this scheme is that it does not require any additional cost for site and buildings and does not involve cost of officers as in employment and the existing filature and staff attached to are enough for the present purpose. The case may be sent to finance for remarks

Offices of the Mysore Govt. The proposal in this fil
is the result of discussions held in which appro

Dr. Jm
12

Finance (E.II.)

D.O. No 6878 DR/68-
11-3 Secy Imp 24 June

The proposal relates to the establishment of a silk twisting plant in Kollegal. The financial effect of the proposal is as below:-

Recurring:-	Average pay. Rs	D.A. Rs	Total. p.m. Rs
One filature Assistant on Rs.90-5-130.	115.3	28	143.3
Two Foreman on Rs.45-3-78. (Average 61.7)	122.4	48	170.4
8 Asst. Foremen on Rs.24-1-32-½-A-35) (Average.30.6.)	244.8	152	396.8
One Mechanic II Grade on Rs.55-3-85.	73.3	24	97.3
cost per mensem.	555.8	252	807.8

Cost per annum. 807.8 X 12 = 9693.6 or Rs. 9,694.

Cost of Stamps:— 9,694 √ 600

T.A. 30,000

Wages:- (Details on para 6 on p.16 C.F.) 6,000

Motive Power:- (Details in para 7 on p.16 C.F.) ⊗ 30,000

Other charges:- ...

⊗ Stationery	10,000
Wastage of raw silk in twisting and doubling operations.	13,500
Miscellaneous ~~Stores~~ etc.	6,500
~~Stores, etc.~~	30,000

Rs. 76,294 /A

or 2,37,500

Non-recurring:-

(1) Water supply extensions.	2,500
(2) Electrical Installations	22,500
(3) Machinery	3,50,000
Details at A on p.15 C.F.	3,75,000.

Receipts:- (by sale of 30,000 lbs twisted silk produced at Rs.6/- per lb.) 1,80,000.

Deduct.

(1) Depreciation at 7½ % on 3.75 lakhs.	28,125.
(2) Interest on capital outlay at 4%	15,000
(3) Interest on working capital at 4%	3,052
(4) Audit fees	1,000
(5) Direction charges	3,000
(6) Agency commission	19,875
	70,052

c/o

7) Establishment charges. 76,294

1,46,346

Net Profit. (2,80,000 — 1,46,346) Rs. 33,654 per annum.

Percentage return on capital outlay:- 8.9 or 9% roundly.

2. The necessity for the immediate installation of the plant is explained in the report accompanying the Estimate for the additional twisting plant on pp.9-11 C.F. See also Director's letter on pp.7-8 C.F. Development Secretary strongly supports the proposal for the reasons stated at A on pp.2-3 above.

3. The subordinate staff proposed is stated to be the minimum required and may be accepted. It is stated that the officers at present employed at the Filature will be able to supervise the additional work. The other items of recurring expenditure do not call for any special remarks and may be accepte by Finance.

Non-recurring:- Rs.3,75,000 No cost will be incurred on account of site and buildings, as the silk waste godown under construction is proposed to be utilised to house the plant. The details of expenditure under this item are given at p.15 C.F. and these are not susceptible of check. The point arises whether for all profit of about 1½ lakhs p.a, it is worthwhile to undertake such large recurring Expenditure. Address may be taken

Financial Procedure:- The proposal constitutes a 'new service' A scheme of this magnitude should ordinarily be treated as a Part II Scheme. In view of the urgency pointed out by the Director of Industries and Commerce, Development propose to introduce the scheme immediately. If it is decided that it cannot wait for consideration as a Part II Scheme for 1949-50 and that it should be undertaken during 1948-9, the proposal will have to be placed before the Standing Finance Committee after circulation to H.M (Finance) and the orders of the Cabinet obtained. Development will have also to obtain a supplementary estimate of expenditure from the

SUMMARISING NOTE.

The proposal in this file relates to the establishm Silk twisting plant as an adjunct to the Government silk Filatures Kollegal. The minutes of H.M.(Ind) in the matter will be found at 'M' on page 21 above. The necessity for the immediate installation of the plant is explained in the report accompanying the estimate for the addition of a ting plant at the Government silk Filatures, Kollegal and in Director's letter on p.7-8cf The scheme involves a capital penditure of Rs.3,75,000/- and a recurring expenditure of Rs.75,000/- per annum. The D.I.&.C. expects a net profit of Rs.35,000/- and ~~axxxxxxxxxxxxxxxxxxxxxxxxxx~~ per annum which is 9.3 % return on capital outlay. The main reason for the proposal is that mere manufacture of raw silk is not a paying proposition and that the manufacture of silk fabrics also will make it more remunerative. This Department strongly supports the proposal. Finance Department have stated that the scheme should be treated in the ordinary course as a Part II scheme and that it does not appear desperately urgent. They have however suggested that if it cannot wait for consideration as a Part II scheme for 1949-50 ~~should be introduced during 1948-49~~, the proposal will have to be placed before the Standing Finance Committee after circulation to H.M.(Fin) and the orders of the cabinet obtained. For orders

(i) whether this ~~procedure may be adopted~~ may be placed before the S.F.C. or

(ii) whether the views of Finance to treat it as Part II scheme for 1949-50 may be accepted.

May be

H (Ind) The

H (Fin)

To HS

Please see orders in
Zil
letter on p 5 above Certain
ils required for the preparation
a note for the SFC ~~will have to~~ have to
called for, from the D/E A draft
no is submitted below for approval.

CAP
26.4.48

[Issued as Memo 6878 DI/48-4 d 26.4.48]

[From the D. No 6, 334 D/48 d 26.4.48] p 31 cf

[d 6.5.48] pp 3-8

To HS

Please see the orders in
circulation on p 5 above the memo
cited at pp 31-32 cf and ~~of~~ the D.O.'s
reply thereto at pp 33 cf A draft note
for Standing Finance Committee
is submitted below for approval.
Finance Dept may see for acceptance.

CAP
14.5.48

Finance (D II)

Dr
6/8

(Pre-Finance note on pages 3-4 ante)

Orders in circulation on p. 5
above may be seen

2 The draft note for S.F.C
below may be accepted subject to the remarks;
that the details regarding the calculation of ultimate
cost, ~~should~~ under the summary of costs may be

(P.T.O.)

shown in a separate annexure to the draft note. The recurring cost in the year of introduction should be based on the minimum pay

No 3739/E II
20/11/81.

19 SEP

19/9/81

DO No. 58015 dt 21.9.81

DS

Please see the note from Cabinet on annexure regarding the details of ultimate cost has been prepared and added to the note for the Standing Finance Committee. The recurring cost in the year of introduction based on the minimum pay works out to Rs 74748/- or Rs 74700/-. This figure has been incorporated in the not

The draft note may now be approved and copies circulated to all ministers and the file sent to Fin. Dept. with 2 clean copies of the note for use at the meeting of the Standing Finance Committee

D.O. 2554 24/5/48

Finance may see the case again, for acceptance of the draft note as now amended, before finally approving the draft note.

CPP 28/5/48 Fin

D.O. No. 6878 DI/48

Fin D/28.5.48

Fore Fin. note on pp 6-7 above)

Finance (E II)

The draft note for S.F.C below may be accepted, subject to the pencil alterations indicated in Annexure I.

ASST. SECRETARY TO GOVERNMENT 40596 20 MAY 1948 FINANCE DEPARTMENT

Fin E/II

SIXTH ASSISTANT SECRETARY TO GOVT. 1 JUN 1948 DEVELOPMENT DEPARTMENT

Dev

62315 DI/48

D.O. No. 2191 31-5-48 EII

C.P. (48) 78 D.I./41

PWR

To A.S. (Fin dept note at p 8 ante)

The draft note submitted has been accepted by the Fin dept subject to slight amendments. Thirty roneo copies of the note as amended by the Chancellor may now be taken for circulation to Hon'ble Ministers & Fin dept

Dr K
3 bxd 3/6/48

CRP
4.6.48

To AS

Copies of the note for SFC were circulated to all the invited Ministers. The file may now be sent to Fin dept with ten clean copies of the note for use at the meeting of the SFC

Dr K
12 bxd 22/6/48

CRP
22.6.48

Routine Note.

With ref. to Secys enquiry orally regarding the present stage of the following proposals, are as indicated

(1) Sanction of a Silk twisting Plant for the Sericultural Department

The proposals have been approved in circulation and is to go before the S. F. C. and the Cabinet The papers are with Fin. for this purpose

(2) Scheme for the expansion of product in the Kerala Soaps Institute.

Fin have said that the matter should go before the S F C and the Cabinet. The note for orders for placing the matter before S F C is now under circulation to H M S

(3) Staff for the Polytechnic. File

PWR
Doc No 75872 DI/(

9/7

under circulation to HM (Ind) HM (Fin) and HPr for Sanction urgently under the urgent procedure (without ref. to the SFC and Cabinet)

CAP
8.7.48

S

For perusal w.r.t. telephonic Conversation

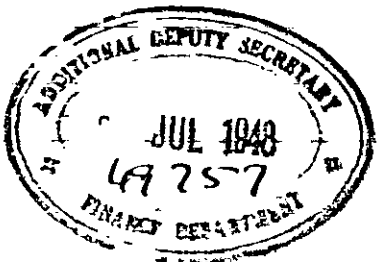
Wf
8/7

HM (Ind)

Re. A: As the matter is urgent our orders are to be placed for the plant and it will take one year from the date of order. S.F.C. may be approached after the orders are placed in the urgent procedure. This is necessary as otherwise the plant may not be made economical in working.

HM
9/7

c 6878 DI/48-1



To A.S.

With reference to the minute of HM (Ind) above, the case may be recalled from the Finance dept. That dept. may be requested to send back the Connected file which has been sent to them with Doc No. Doc 75872 DI/(

6878 DI/48-1 d 24.6.48

CAP
9.7.48

Fin

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6/7/48

Finance (SF-E) Dept.

Please see the minutes of H.O.T (2nd) at on p 2 above and Dev. note at bottom on p 2 above. The connected file is linked and may be returned to Dev.

8/7 9/7/48 9/7/48 Dev 9.7.48

Fin 0 46612/SF-E

9-7-48

SECRETARY TO GOVT. SILK ASSOCIATION 10 JUL 1948 DEVELOPMENT DEPT. MADRAS

76711

SUMMARISING NOTE.

During the recent world War Silk Industry in India expanded to nearly three times its previous size and Madras had its full share in the increase of acreage under mulberry cultivation and in the establishment of the Silk Filatures at Kollegal. Though considerable profit has been made in the working of the filatures hitherto, a slump has now set in in the silk market caused by the import of large quantities of

foreign silk which sell at prices considerably below the cost of production of our silk. While the Govt. of India have been moved for the immediate grant of protection by way of restricting imports and enhancing tariff duties on imported silk, it is necessary to take further action in the matter of consolidating the local industry. With this end in view the D.I.& C. has proposed ~~to~~ the establishment of a silk Twisting Plant as an adjunct to the G.S.F. Kollegal for the production of twisted yarn for ready consumption by weavers and for high grade fabrics required by the public. There is a greater margin of profit in the twisting and weaving operations than in the production of ra silk. At present the twisting is done at Bangalore at the plant of private operators and the transport of raw silk to Bangalore the cost of twisting and the transport back to Kollegal all add to the cost of Kollegal yarn. The Scheme for the establishment of a silk twisting plant involves a recurring expenditure of Rs.76,300/- per annum and a non-recurring expenditure of ~~Rxx~~ Rs.3,75,000/- (vide details at M on page 3 n.f. or pp. 13-17 c The D.I.& C. expects a ~~next~~ net profit of about Rs.34,000/- per

annum. The expenditure is on a new service and hence the proposal has to be referred ordinarily to the Standing Finance Committee and the orders of the Cabinet obtained. Copies of a Note for the S.F.C. were circulated to all H.Ms. and the file was sent to Finance for use at the meeting of the Standing Finance Committee. H.M.(Ind.), who now desires that orders in the matter should issue urgently, has minuted as follows.

"As the matter is urgent and orders are to be placed for the plant and it will take one year from the date of order, S.F.C. may be by-passed and orders taken under the urgent procedure. This is necessary as the factory is to be made economical in running."

The connected file has therefore been recalled from Finance Department. The case may now be circulated to H.M.(Ind.) H.M. (Fin.) and H.Pr. for the approval of the scheme, as minuted on p14 above, as an extremely urgent measure, without reference to the S.F.C.

~~Further action involved in this procedure will be taken after issue of orders.~~ In view of minutes at 'A', need not go to HM(Ind) again.

12/7/48

12.7.48

12/7

H.M.(Fin) 13.7

H.P.R 13/-

Finance & II

(See Finance note on p. 13 above)

Orders in Q.L. on p. 15 above and the draft order below may be perused and the file returned to Secy.

17.7.48 17.7.48

17.7.48

17/7

Dy. dept.

Draft below required

15.7.48

79989

[Issued as G.O. No 3819 M&Dw dt. 18-7-48]

SUMMARISING NOTE.

Installation of a Silk Twisting Plant at Kollegal — Sanction

During the recent World War, Silk Industry in India expanded to nearly three times its previous size and Madras had its full share in the increase of acreage under mulberry cultivation and in the establishment of silk filatures at Kollegal. Though considerable profit has been made in the working of the filatures hitherto, a slump has now set in the silk market caused by the import of large quantities of foreign silk which sell at prices considerably below the cost of production of our silk. While the Government of India have been moved for the immediate grant of protection by way of restricting imports and enhancing tariff duties on imported silk, it is necessary to take further action in the matter of consolidating the local industry. With this end in view, the Director of Industries and Commerce has proposed the establishment of a Silk twisting plant, as an adjunct to the Government Silk Filatures, Kollegal for the production of twisted yarn for ready consumption by weavers and for high grade fabrics required by the public. There is a greater margin of profit in the twisting and weaving operations than in the producing of raw silk. At present the twisting is done at Bangalore at the plants of private operators and the transport of raw silk to Bangalore, the cost of twisting and the Transport of yarn back to Kollegal, all add to the cost of Kollegal yarn. The Director of Industries and Commerce expects a net profit of about Rs.34,000/- per annum. The scheme involves a recurring expenditure of Rs.76,300/- per annum and a non-recurring expenditure of Rs.3,75.000/- The expenditure is on a new service' andhence the proposal has to be referred ordinarily to the Standing Finance Committee and the orders of the Cabinet obtained. ~~The Government have since decided that the matter should be treated as an extremely urgent measure. The minutes of H.M.(Ind:) are reproduced below:-~~ HM(2nd), however, minuted as follows

"As the matter is urgent and orders are to be placed for the plant and it will take one year from the date of order, Standing Finance Committee may be by-passed and orders taken under the urgent procedure. This is necessary as the factory is to be made economical in running".

Orders sanctioning the scheme were therefore issued in G.O.No. 3819, Ms., Development, dated 19th July 1948 after circulation to Hon'ble Minister (Finance) and Hon'ble Premier.

The above note may be circulated to other Hon'ble Ministers who have not seen the case. A copy may also be sent to the Chief Secretary.

Finance (Bdg)

Notes & orders in circulation on Hy 1-2 above may be perused. The draft not on supplementary estimate of expenditure may be accepted subject to the following remarks. It has been decided to bring the expenditure on the Govt silk filatures, hitherto charged to the Civil head 43. Industries & supply & Industries with effect from 1-10-48. As the token grant for the circumstances, the head of debit may be "43-Industries ~~before Oct. 48 it may perhaps be obtained~~ as now indicated in para ~~the Grant~~ XXXIX Capital outlay on Govt. Schemes. Such ~~Industries~~ will be itself, as proposed in the draft note below.

Ch
12/Aug/48

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TO A.S.

Five clean copies of the note below may now be sent to Jean de B[illegible]

14-9-48 DNP 14.9.48

CPP 20/9/48

Development Dept.

GRANT XXI INDUSTRIES.

Estimate of the amount required for further expenditure.

126/2/9

	Rs.
Voted	100
Total of sums charged	Nil

Summary

Major head	Minor head.	Sub head of appropriation.	Estimated amount of further expenditur for 1948-9. Charged Rs	Voted. Rs
(1)	(2)	(3)	(4)	(5)
43. Industries and Supplies.	a. Industries.	T. Govt Silk Filatures, Kollegal T.3. Buildings Plant and Machinery (Capital) (Relevant sub-head of appropriation to be filled in by Dev.)	Nil	100

Explanatory Note.

Sanction was accorded to the establishment of a Silk Twisting Plant as an adjunct to the Govt. Silk Filatures, Kollegal for the production of twisted yarn. The cost of the scheme in 1948-9 is estimated to be Rs.74,700/- recurring and Rs.3,75,000/- non-recurring. It is expected that the expenditure will be more than covered by the receipts.

As the expenditure is on a 'new Service', a token sum of Rs.100-/ is included in the supplementary estimate. The balance of the expenditure in the current year will be met from savings within the grant or by obtaining an additional appropriation from the Legislature in March 1949.

One 4.9.48

CPG 10.9.48

To the Secy (5 copies) Fin Dept 13/9

Development Dept.

GRANT ~~XXXIX CAPITAL OUTLAY ON PROVINCIAL SCHEMES OF STATE TRADING.~~ XX

Estimate of the amount required for further expenditure.

	Rs.
Voted	100
Total of sums charged	Nil

Summary.

Minor head	Sub heads of appropriation.	Estimated amount of furth expenditure for 1948-9. Charged	Voted.
(2)	(3)	(4)	(5)
C. Other Miscellaneous Schemes.	J. Govt. Silk Filatures, Kollegal.	Nil	100/-

Explanatory note.

Sanction was accorded to the establishment of a Sil Twisting Plant as an adjunct to the Govt. Silk Filatures, Kollegal for the production of twisted yarn. The cost of the scheme in 1948-9 is estimated to be Rs. 74,700/- recurring and Rs. 3,75,000/- non-recurring. It is expected that the expendi will be more than covered by the receipts.

As the expenditure is on a 'new service', a token sum of Rs.100/- is included in the supplementary estimate. Th balance of the expenditure in the current year will be savings within the grant or by obtaining an additional priation from the Legislature in March 1949.